

## THE COMMONWEALTH OF MASSACHUSETTS

## DEPARTMENT OF PUBLIC UTILITIES TRANSPORTATION OVERSIGHT DIVISION

ONE SOUTH STATION BOSTON, MA 02110 (617) 305-3559 PAUL J. HIBBARD CHAIRMAN

W. ROBERT KEATING COMMISSIONER

> TIM WOOLF COMMISSIONER

## BULLETIN

To: Tow Companies Performing Involuntary Towing

FROM: Brian F. Cristy, Director, Transportation Oversight Division

DATE: June 1, 2007

SUBJECT: Maximum Charges for Involuntary Towing and Storage of Motor Vehicles

## This Bulletin supersedes any previous interpretation issued by this Department

On September 9, 2004, the Department of Telecommunications and Energy (now the Department of Public Utilities) ("Department" or "DTE" or "D.P.U.") issued an Order (D.T.E. 03-70, 2004) to amend 220 C.M.R. § 272 et seq., regarding maximum rates and charges for the towing and transportation of vehicles ordered by the police or other public authority subject to Massachusetts General Law ("G.L") c. 159B, § 6B, revising generally upward the maximum rates for involuntary towing and related services in 220 Code of Massachusetts Regulations ("C.M.R.") §§ 272.00 et seq. This Order became effective on September 24, 2004. In March 2005 The Department issued a bulletin explaining that certain ancillary charges were included in the tow and storage fee charged by regulated tow companies and should not to be added to the tow bill.

Since the Order and subsequent 2005 bulletin, the Department continues to receive numerous complaints from motor vehicle owners and insurance companies alleging various overcharges for services performed both during and after an involuntary tow.

Historically, the Department seeks to enable all towers, operating under efficient management, to earn a reasonable return on their investment. (See "Police-Ordered Towing", D.P.U. 20148 (1980)".) In fulfilling its statutory duties and as part of this rate setting process, the Department considers the many variables that are inherent in the towing industry. By establishing a maximum rate for the tow industry, the Department can in one proceeding determine an appropriate rate that will protect captive consumers and be reasonable for the industry. For example, an involuntary tow may consist of several functions, all of which are properly included in the statement of an inclusive basic rate, including an analysis of incremental operating costs and non-recurring overhead costs.

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Toward that end, the Commission's Order, DTE 03-70, (noted above) provides in part: "[t]he Department finds that increasing the basic tow rate to \$90.00, as proposed by the STA [State Wide Towing Association], is reasonable as it would enable tow operators to cover their expenses, which have increased considerably since the Department last investigated towing rates in D.P.U. 97-37 (id)," at page 5-9.

Therefore, the Department must remind tow operators that the maximum rates currently in effect for involuntary towing and storage pursuant to G.L. c.159B, § 6B and 220 C.M.R. 272.00 et. seq, are all-inclusive and cover the vehicle while in storage, until released to the vehicle owner or his/her representative. It should be emphasized that the storage rate is established by statute and can only be modified by the legislature. Items such as: gate/yard fees, administrative office fees, postage/certified mail fees, vehicle covering fees, repositioning fees, absorbent material fees, license plate removal fees, vehicle cleaning fees, etc., will not be allowed and must not be shown on a tow invoice or other form. These items should be addressed as part of the overall cost of providing the service which by definition is, the removal of a motor vehicle without the consent of the owner/operator.

Please insure that all of your employees who perform involuntary tows understand the application of these rates and charges. If you have any questions please contact the Transportation Oversight Division at 617-305-3559.

CC: Massachusetts Chiefs of Police